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Approved For Release 2003/05/23 : CIA-RDP80B01676R003100210004-3

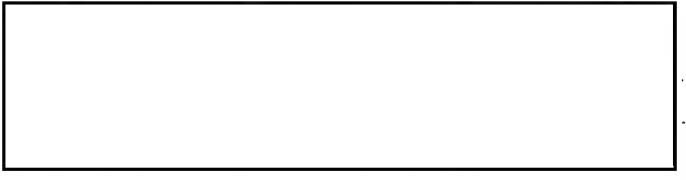
2 December 1963

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Alliance for Progress

1. This memorandum is for information.
2. At this morning's meeting you mentioned the President's keen interest in making the Alliance for Progress more effective. The most interesting and penetrating analysis I have heard of the basic shortcomings of the Alliance was given by Professor Milton Katz, of Harvard Law School, at a Brookings Institution seminar early this year. As you know, Professor Katz was instrumental in setting up the Marshall Plan organization and for some time was the key economic aid figure in Europe with the rank of Ambassador. His analysis was based on a comparison to the Marshall Plan and the fundamental differences between the two situations. In Europe the countries involved had the capability to analyze their own economic problems, develop requirements for economic support beyond their own capabilities, and then in turn to administer the aid received in a productive fashion. Professor Katz believes this capability does not exist in any great degree anywhere in Latin America and in many countries is almost totally absent. His conclusions were pessimistic, but he is a most able and intelligent man who has, I am sure, more thoughts on possible remedial steps than he was willing to put forth at our seminar. He might be someone the President would want to consult in this situation.

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LAWRENCE R. HOUSTON  
General Counsel

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